



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590



REPLY TO THE ATTENTION OF:

Ms. Mary Ann Dolehanty
Permit Section Supervisor
Michigan Department of Environmental Quality
Air Quality Division
P.O. Box 30260
Lansing, Michigan 48909-7760

Dear Ms. Dolehanty:

Thank you for the opportunity for the United States Environmental Protection Agency to provide the Michigan Department of Environmental Quality (MDEQ) our comments on the draft construction permit number 182-05C for Severstal Dearborn LLC (Severstal). Below are our comments:

- 1) On January 31, 2006, MDEQ issued Permit To Install (PTI) 182-05, which authorized modifications to Severstal's process and process equipment. MDEQ issued this PTI based on calculations that the changes resulted in net emission decreases of Particulate Matter (PM) and oxides of nitrogen. Subsequent stack testing conducted at the Severstal facility has shown that Severstal has violated the PM emission limits from the 2006 permit, and suggests that the emissions factors and Best Available Control Technology (BACT) limits in the initial 2006 permit were not appropriate. The current draft permit, 182-05C, proposes to update the emission factors for PM less than 10 microns and other emission factors used to establish the 2006 permit limits.

The Michigan State Implementation Plan does not address the issue of revising Prevention of Significant Deterioration (PSD) permits; however, EPA discussed revision of federal PSD permits in a November 19, 1987 memorandum on the Ogden Martin Tulsa Municipal Waste Incinerator (Ogden memo). In that memo, EPA found that it is possible to make revisions to BACT requirements only if the original BACT determination is inappropriate as a result of errors, faulty data, or incorrect assumption in the original permit application; the source was constructed in conformity with the permit; and the source has investigated and is taking all available options to reduce emissions but cannot comply with the permit limits. *See also* March 3, 2014 letter from Kate Kelly, EPA, Region 10, to Stuart Clark of the Washington State Department of Ecology. The Ogden memo further states that "[a]ny time a permit limit founded in BACT is being considered for revision, a corresponding reevaluation (or reopening) of the original BACT determination is necessary.... [W]here the source is already operating, certain retrofit costs and other costs associated with an already existing facility may be considered." Ogden memo at 2. However, "the BACT analysis considers current

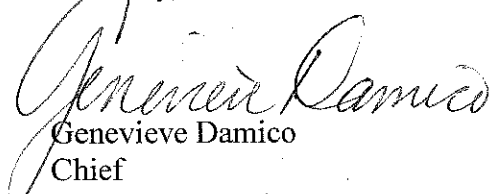
technology and requirements while weighing the additional retrofit costs and other costs associated with an already existing facility.” *Id.* at 3.

Based upon the application and associated documentation, EPA believes that Severstal meets the criteria necessary for PSD permit revision. Therefore, MDEQ should reevaluate the BACT determination for any emissions factors or BACT limits that must be revised, taking into account current technology and requirements, as well as retrofit and other cost associated with the fact that Severstal is an already-existing facility.

- 2) On October 4, 2013, Wayne County, within which the Severstal facility is located, was designated as a nonattainment area for the National Ambient Air Quality Standards for Sulfur Dioxide (SO₂). EPA recommends that this draft permit be issued following the underlying applicable requirements currently in place for Wayne County if the permitting action is a major modification for SO₂ under nonattainment New Source Review.
- 3) The draft permit requires that if the permittee does not install a bag leak detection system, then it is required to install a continuous opacity monitoring system (See pages 19, 29, 57, 62, and 74). EPA recommends the use of a continuous opacity monitoring system in conjunction with a bag leak detection system due to the historic violations occurring at this facility and being addressed by the MDEQ consent decree order 6-2006, (see below). The continuous opacity monitor assures that the particulate matter emission limits are being met, whereas, the bag leak detection system assures the integrity of the control device.
- 4) The draft permit references certain permit terms and conditions that are a result of a MDEQ consent order 6-2006. EPA recommends that MDEQ include the consent order as part of the fact sheet public record since this document is the basis of those applicable draft permit conditions. Additionally, if the consent order’s condition terms expire, please include the expiration dates of these conditions in the draft permit.
- 5) On pages 13 and 70 of the draft permit, condition II. Material limits 1. Iron processing has a testing/monitoring method that is not relevant to the calculating iron processing and production levels. Please correct the draft permit for the relevant citations for testing/monitoring methods appropriate to the permit condition.

We would like to thank you again for working with us in making sure that these issues were resolved in a timely manner. If you have any further questions, please feel free to contact Constantine Blathras, of my staff, at (312) 886-0671.

Sincerely,


Genevieve Damico
Chief
Air Permits Section